THE WOODLANDS TOWNSHIP

BOARD OF DIRECTORS

SPECIAL BUDGET WORKSHOP #1

JULY 26, 2011

MINUTES

THE STATE OF TEXAS §

COUNTIES OF HARRIS & MONTGOMERY §

The Board of Directors of The Woodlands Township met in special session, open to the public, on July 26, 2011, posted to begin at 8:00 a.m. The meeting was held at the office of The Woodlands Township, Board Chambers, 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas, within the boundaries of The Woodlands Township.

DIRECTORS PRESENT: Vice Chairman Lloyd Matthews, Secretary Claude Hunter, Treasurer Ed Robb,

Director Nelda Blair, and Director Tom Campbell

DIRECTORS ABSENT: Chairman Bruce Tough and Director Peggy Hausman

STAFF/ADVISORS: Don Norrell, President/General Manager, John Powers, Assistant General

Manager Community Services, Monique Sharp, Assistant General Manager of Finance & Administration, Fire Chief Alan Benson, Susan Welbes, Director of Human Resources, Nick Wolda, Director of Community Relations/CVB President, Karen Dempsey, Management Analyst, Mary Connell, Manager of

Community Relations

CALL TO ORDER;

Note: Vice Chairman Matthews presided as Chair.

Vice Chairman Matthews called the workshop session to order at 8:01 a.m. and declared that notice of this meeting was posted 72 hours in advance at the Courthouses of Montgomery and Harris Counties and inside the boundaries of The Woodlands Township at the office building located at 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas. As there was a quorum of members present, the Board proceeded to conduct business regarding the following matters.

CONSIDER AND ACT UPON ADOPTION OF MEETING AGENDA;

Vice Chairman Matthews called for a motion and second to adopt the meeting agenda.

MOTION: Secretary Hunter moved to adopt the agenda; second by Director Campbell

VOTE: Ayes: Vice Chairman Matthews

Secretary Hunter Treasurer Robb Director Blair Director Campbell

Nays: None Abstentions: None

Absent: Chairman Tough and Director Hausman

ACTION: Motion passed unanimously (5-0).

RECOGNIZE PUBLIC OFFICIALS;

No public officials were recognized.

PUBLIC COMMENT;

There was no public comment.

RECEIVE AND CONSIDER THE 2012 OPERATING BUDGET AND FIVE-YEAR PLAN;

Don Norrell used a PowerPoint presentation during introductory comments regarding the 2012 Budget. Mr. Norrell reported that The Woodlands Township is in excellent financial condition based on an excellent bond rating, low debt per capita, strong business climate with substantial sales and room tax, excellent business development prospects, no unfunded pension costs, no substantial unfunded retiree health insurance costs and no large vacation and sick leave balances to be paid out.

Mr. Norrell also discussed a number of successful financial initiatives approved by the Board over the past two budget years. These initiatives include:

- Merging two organizations at a substantial savings to the taxpayer
- Establishing benefit programs that are fully funded annually
- Refinancing existing debt at a substantial savings to the taxpaver
- Funding new capital improvement projects at historically low interest rates
- Providing for a level tax rate
- Weathering an economic downturn without a substantial decrease in services
- Establishing strong reserves for operations, capital replacement and economic development
- Achieving a AA bond rating for tax supported debt
- Establishing financial strength for the Township governmental operation

Highlights of the 2012 Budget include:

- A proposed 2012 property tax rate of 32.50 cents per \$100 of valuation
- Two new fire stations
- Three additional personnel in the Montgomery County Sheriff's Office contract and two deputies (1/2 year) for the Creekside Park contract in Harris County
- Centralized management of Town Center Operations and Maintenance through the creation of a separate division (Town Center Ranger Program) within the Parks and Recreation Department
- Proposed funding plan for Park Needs Assessment
- Discussion of a lease agreement with the Pavilion for a permanent ice rink site
- Capital Asset Reserve

Mr. Norrell's PowerPoint presentation is attached hereto as Exhibit "A".

Following Mr. Norrell's introductory remarks, Monique Sharp was called on to make a presentation. Ms. Sharp used a PowerPoint presentation to give a high level overview of the Proposed Budget and Five-Year Plan. Areas reviewed by Ms. Sharp included:

- Consolidated Budget
- Revenues
- Expenses
- Debt Service
- Capital Projects
- Five-Year Plan

Note: Vice Chairman Matthews recessed the public meeting at 9:15 a.m. due to a power outage. The meeting reconvened in public session at 9:31 a.m.

Ms. Sharp's PowerPoint Presentation is attached hereto as Exhibit "B".

After the overview presentation of the 2012 Budget and Five-Year Plan, Ms. Sharp presented a review and discussion of the following:

- Revenue Sources
- Public Safety Services and Expenditures for Law Enforcement/Security Services, Neighborhood Services and The Woodlands Fire Department

Note: The Woodlands Township's Proposed 2012 Budget is available under the 2012 Budget page of The Woodlands Township Web site.

BOARD ANNOUNCEMENTS; AND

None

ADJOURN

As there was no further business to discuss, Vice Chairman Matthews called for a motion and second to adjourn the meeting at 10:31 a.m.

MOTION: Secretary Hunter moved to adjourn the meeting; second by Director Blair

VOTE:

Ayes: Vice Chairman Matthews

Secretary Hunter Treasurer Robb Director Blair Director Campbell

Nays: None Abstentions: None

Absent: Chairman Tough and Director Hausman

ACTION: Motion passed unanimously (5-0).

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Claude Hunter

Secretary, Board of Directors

EXHIBIT OMISSIONS*

EXHIBIT "A"

EXHIBIT "B"

*To view Exhibits, please contact the Records Management Analyst at 281-210-3800.